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FM AMEMBASSY ATHENS
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9388
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 ATHENS 001185

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FOR U/S BURNS FROM AMBASSADOR RIES

E.O. 12958: DECL: 06/06/2017

TAGS: [PREL](#) [PGOV](#) [OVIP](#)

SUBJECT: SCENESETTER FOR U/S BURNS VISIT TO ATHENS JUNE 9-12

REF: ATHENS 1131

Classified By: AMBASSADOR CHARLES RIES. REASON: 1.4 (B) AND (D).

¶1. (C) Nick: Welcome back to Athens! The Embassy -- and your many Greek friends -- are delighted to have you as the keynote speaker at our June 11 celebration of the sixtieth anniversary of the Marshall Plan. In addition to your public speeches and press events, your visit will propel bilateral cooperation on several key issues -- including Kosovo final status, Macedonia's NATO prospects, and energy diversity.

ELECTIONS MAKE COMPROMISES DIFFICULT . . .

¶2. (C) Greece is in pre-election mode, whether the elections take place in the fall (as predicted) or in spring 2008 (as mandated). Both PM Karamanlis and opposition PASOK President Papandreou are spending more time in far-flung localities to shore up support. This spring's bond scandal has dented the New Democracy government's "anti-corruption, good management, reform" image; polls have reduced ND's steady lead over PASOK from 3 percent to 1 percent. Karamanlis continues to have the edge, but is no longer the sure bet that he was at the beginning of the year. Even if he ekes out a win, he will have a smaller majority in Parliament, making future reform more difficult.

¶3. (C) With the numbers so close, some may try to make Greece's relationship with the U.S. an issue in the elections. We want to avoid that; the election is about Greece and its future. In my own discussions, I have urged GOG officials to develop a strategic vision, to look beyond Athens to the global issues we must tackle together. But there is no denying that electoral sensitivity will make it harder -- at least in the short term -- for the GOG to make compromises on long-standing policies. Every decision will be weighed against the number of votes it might win or lose.

. . . ON MACEDONIA/NATO . . .

¶4. (C) As we noted last week (reftel), the GOG is in danger of (once again) painting itself into a corner over Macedonia's name. The PM and Dora have signaled that the Greek commitment to the 1995 Interim Agreement is weakening. The change is not solely due to the ND government's need to win votes in the Greek province of Macedonia. Karamanlis is personally aggravated by what he says is a harder, more nationalistic line from the current Macedonian government. The GOG sees Macedonia's NATO membership as one of the few levers it still wields with Skopje. With a NATO expansion decision due this spring, the GOG has embarked on a high-risk strategy to press Skopje to compromise. Key to their strategy: their conviction that only pressure by the U.S. on Macedonia can get that compromise.

¶5. (C) During your visit, Greek officials will ask for U.S. pressure on Skopje. We have already warned them of the

dangers their strategy presents, and urged them to reaffirm their commitment to the Interim Agreement. They need to hear it from you. They may also press for assurances that the U.S. does not plan to insist on Macedonia's eventual accession to NATO as "Republic of Macedonia" -- a rumor that has gained considerable press currency recently.

. . . ON KOSOVO . . .

¶6. (C) Greek officials (and the press) will be particularly interested in your views on developments regarding Kosovo's final status. The GOG has consistently argued for "more time" to reach an agreement that both sides can buy into. At the same time, they have said they will support EU consensus (should it prove possible). Stability in the region is their over-riding concern; whatever the outcome in New York and Brussels, we will want to encourage them to act in the interests of preserving that stability.

. . . AND ENERGY DIVERSITY

¶7. (SBU) Greece finds itself in an unusually influential position regarding global energy flows. This year it will complete the construction of a 8-12 bcm natural gas interconnector with Turkey, which by 2010 will cross Greece and connect to Italy. Greece, which receives 80% of its natural gas imports from Russia's Gazprom (through a contract expiring in 2016), has stated that it intends to source supply for this interconnector from Azerbaijan's Shah Deniz condensate field, making it the first non-Russian controlled route for Caspian natural gas to reach Western Europe. This development has not escaped the notice of the Russians. As a result, for the last 18 months Greece found itself in the cross hairs of an intense Gazprom-led effort to lock up the

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Italy-Greece pipeline with a long-term contract exclusively for Russian natural gas, blocking out the Azeri gas from Western Europe. The Embassy, with support from Washington agencies, has been actively promoting with Greece the need to contribute to increased European energy security and diversification. It will be useful for you to reinforce U.S. appreciation for Greece's courage in standing up to Russian pressure on gas issues.

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